Court File No. CV-21-00657098-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TGF ACQUISITION PARENT LTD., SUN RICH FRESH FOODS INC. & TIFFANY GATE FOODS INC.

NOTICE OF DESIGNATION OF SUCCESSFUL BIDDERS AND BACK-UP BIDDERS

PLEASE TAKE NOTICE OF THE FOLLOWING:

On February 15, 2021, Country Fresh Holding LP and certain of its debtor affiliates[1], as debtors and debtors-in-possession (collectively, the "**U.S. Debtors**") filed voluntary petitions commencing parallel insolvency proceedings (the "**Chapter 11 Cases**") before the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "**Bankruptcy Court**") under chapter 11 of title 11 of the United States Bankruptcy Code.

On February 17, 2021, the Canadian affiliates of the U.S. Debtors[2] (the "**Canadian Debtors**") commenced parallel insolvency proceedings (the "**CCAA Proceedings**") before the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") under the *Companies' Creditors Arrangement Act* ("**CCAA**"). The U.S. Debtors and the Canadian Debtors are collectively referred to as the "**Sellers**".

On February 17, 2021, the U.S. Debtors filed their *Emergency Motion For Entry of an Order: (I) (A) Authorizing and Approving Bid Procedures; (B) Authorizing and Approving the Debtors' Entry into the Stalking Horse Purchase Agreement; (C) Authorizing and Approving the Expense Reimbursement and Break-Up Fee; (D) Scheduling an Auction and Sale Hearing; (E) Authorizing and Approving Assumption and Assignment Procedures; and (F) Approving Notice Procedures; (II) Approving the Sale of Substantially All of the U.S. Debtors' Assets Free and Clear*

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[1] The U.S. Debtors in the Chapter 11 Cases, along with the last four digits of each U.S. Debtor's federal tax identification number, are: Country Fresh Holding Company Inc. (7822), Country Fresh Midco Corp. (0702), Country Fresh Acquisition Corp. (5936), Country Fresh Holdings, LLC (7551), Country Fresh LLC (1258), Country Fresh Dallas, LLC (7237), Country Fresh Carolina, LLC (8026), Country Fresh Midwest, LLC (0065), Country Fresh Orlando, LLC (7876), Country Fresh Transportation LLC (8244), CF Products, LLC (8404), Country Fresh Manufacturing, LLC (7839), Champlain Valley Specialty of New York, Inc. (9030), Country Fresh Pennsylvania, LLC (7969), Sun Rich Fresh Foods (NV) Inc. (5526), Sun Rich Foods (USA) Inc. (0429), Sun Rich Fresh Foods (PA) Inc. (4661). The principal place of business is 3200 Research Forest Drive, Suite A5, The Woodlands, TX, 77381.

[2] The Canadian Debtors in the CCAA Proceedings are TGF Acquisition Parent Ltd., Sunrich Fresh Foods Inc. and Tiffany Gate Foods Inc.

Of All Liens, Claims, Encumbrances and Interests; and (III) Granting Related Relief [Docket No. 51] in the Bankruptcy Court.

On February 26, 2021, the Bankruptcy Court entered its *Order (I) (A) Authorizing and Approving Bid Procedures; (B) Authorizing the Debtors' Entry into the Stalking Horse Purchase Agreement; (C) Authorizing and Approving Expense Reimbursement and Break-Up Fee; (D) Scheduling an Auction and Sale Hearing; (E) Authorizing and Approving Assumption and Assignment Procedures; and (F) Approving Notice Procedures* [Docket No. 164] (the "**Bid Procedures Order**")[3] in the Chapter 11 Cases, authorizing the U.S. Debtors to market their business and assets in accordance with the sale and bid procedures annexed to the Bid Procedures Order (the "**U.S. Bid Procedures**") and conduct an auction (the "**Auction**") to select a party or parties to purchase all or some of the U.S. Debtors' assets in accordance with the U.S. Bid Procedures.

On March 1, 2021, the CCAA Court issued a Bidding Procedures Order in the CCAA Proceedings (the "**Canadian Bidding Procedures Order**") which, among other things, approved the execution of the Stalking Horse Agreement and authorized the Canadian Debtors to market their business and assets in accordance with the sale and bid procedures annexed to the Canadian Bidding Procedures Order (the "**Canadian Bid Procedures**" and, together with the U.S. Bid Procedures, the "**Bid Procedures**").

Pursuant to the Bid Procedures Orders, the Sellers conducted an auction, which started on **<u>March 23, 2021 and concluded on March 24, 2021</u>** (the "**Auction**").

At the Auction, the Sellers determined that the highest or best offers were submitted as follows:

<u>U.S. Assets:</u>

U.S. Successful Bidder: Stellex/CF Buyer (US) LLC

U.S. Back-Up Bidder: Taylor Fresh Foods, Inc.

<u>Toronto / Brampton Assets:</u>

Toronto / Brampton Successful Bidder: Homestyle Selections LP

Toronto / Brampton Back-Up Bidder: Summer Fresh Salads Incorporated

<u>Vancouver Assets:</u>

Vancouver Successful Bidder: Save-On-Foods Limited Partnership

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bid Procedures Order or the Bid Procedures annexed thereto, as applicable.

Sale Hearings:

The hearing to approve and authorized the sale of the U.S. Debtors' Assets pursuant to the Sale Transaction (the "**U.S. Sale Hearing**") shall be held electronically via video/telephone before the Bankruptcy Court before the Honorable Marvin Isgur on **March 25, 2021 at 9:30 a.m (prevailing Central Time)**. If you wish to participate telephonically, you must use the Bankruptcy Court's teleconference system at **1-832-917-1510** and entering conference code 954554. You may also join by videoconference by use of an internet connection, using the website **www.join.me**, selecting "**join a meeting**," and entering meeting code "**JudgeIsgur**." At such hearing, the U.S. Debtors will seek the entry of an order of the Bankruptcy Court approving and authorizing the Sale of the U.S. Assets to the Successful Bidder on the terms and conditions of the Successful Bid. The Successful Bidder shall appear at the U.S. Sale Hearing and be prepared to testify in support of the Successful Bid and the Successful Bidder's ability to close in a timely manner, including with respect to demonstrating adequate assurance of future performance that may be required in connection with any executory contracts or unexpired leases.

PLEASE TAKE FURTHER NOTICE that the hearing to approve and authorize the sale of the Canadian Debtors' Assets will be held on **March 26, 2021 at 12:00 p.m. prevailing Eastern time** (the "**Canadian Sale Hearing**").

The Sellers' presentations to the Bankruptcy Court and CCAA Court for approval of the sale of Assets, as applicable, to the Successful Bidders do not constitute the Sellers' acceptance of the Successful Bids. The Sellers shall be deemed to have accepted a Successful Bids only when the Successful Bids has been approved by order of the Bankruptcy Court and CCAA Court, as applicable.

If the Sale Transactions are not consummated with the applicable Successful Bidder, the Sellers shall designate the applicable Back-up Bidder as the Successful Bidder for the applicable U.S. or Canadian Assets, as indicated above.

PLEASE TAKE FURTHER NOTICE that copies of pleadings related to the proposed Sale as related to the U.S. Debtors, including the Bid Procedures Order (and attached bid procedures) approved by the Bankruptcy Court, are available on the U.S. Debtors' website at https://dm.epiq11.com/freshfoodgroup or on the Bankruptcy Court's website at https://ecf.txsb.uscourts.gov/. You can request any pleading you need from (i) the proposed noticing agent, Epiq Corporate Restructuring, LLC (CountryFreshInfo@epiqglobal.com), or (ii) counsel for the U.S. Debtors at: Foley & Lardner LLP, c/o Sharon M. Beausoleil (sbeausoleil@foley.com).

PLEASE TAKE FURTHER NOTICE that copies of motions and materials related to the proposed Sale as related to the Canadian Debtors and the CCAA Proceedings, including the Canadian Bidding Procedures Order, are available on the website of Ernst & Young Inc., in its capacity as Court-appointed Monitor of the Canadian Debtors (the "**Monitor**") at https://www.ey.com/ca/freshfoodcanada. Should you require further information regarding the Canadian Debtors and the CCAA Proceedings you may contact, (i) the Monitor at freshfoodcanada.monitor@ca.ey.com; or (ii) counsel for the Canadian Debtors at: Stikeman Elliott LLP, c/o Lee Nicholson (leenicholson@stikeman.com).

DATED: March 24, 2021